

COMMITTEE ON REAL ESTATE

August 14, 2017

A meeting of the Committee on Real Estate was held this date beginning at 4:09 p.m. at City Hall, First Floor Conference Room, 80 Broad Street.

Notice of this meeting was sent to all local news media.

PRESENT

Chairman White, Councilmember Waring, Councilmember Moody, Councilmember Riegel, and Mayor Tecklenburg **Staff:** Collen Carducci, Frances Cantwell, Chip McQueeney, Rick Jerue, Philip Overcash, and Bethany Whitaker, Council Secretary

The meeting was opened with a moment of silence provided by Chairman White.

APPROVAL OF MINUTES

On the motion of Councilmember Moody, seconded by Councilmember Waring, the Committee voted unanimously to approve the minutes of the July 11, 2017 Committee on Real Estate Meeting.

REQUEST APPROVAL FOR THE MAYOR TO EXECUTE THE LICENSE AGREEMENT BETWEEN THE CITY OF CHARLESTON AND THE SOUTH CAROLINA STATE PORTS AUTHORITY ALLOWING THE STATE PORTS AUTHORITY THE RIGHT TO ENTER CITY PROPERTY ON DANIEL ISLAND KNOWN AS PARCEL EE, PHASE 2 (45.976 ACRES) FOR THE PURPOSE OF SITE PREPARATION IN ANTICIPATION OF THE RECEIPT OF DREDGE MATERIALS. THE PROPERTY IS OWNED BY THE CITY OF CHARLESTON. (PARCEL EE, PHASE 2; TMS: 277-00-00-003)

REQUEST APPROVAL FOR THE MAYOR TO EXECUTE THE PURCHASE AND SALE AGREEMENT BETWEEN THE CITY OF CHARLESTON AND THE SOUTH CAROLINA STATE PORTS AUTHORITY OF THE PROPERTY ON DANIEL ISLAND KNOWN AS PARCEL EE, PHASE 2 (45.976 ACRES) FOR \$1.5 MILLION. THE PROPERTY IS OWNED BY THE CITY OF CHARLESTON. (PARCEL EE, PHASE 2; TMS: 277-00-00-003) [ORDINANCE]

On the motion of Councilmember Moody, seconded by Councilmember Riegel, the Committee voted unanimously to combine items A and B.

Frances Cantwell referred to a pod-shaped parcel on a map called City of Charleston, and that was a former dredge disposal area that the City now owned and was slated to be a park under the Daniel Island Development Group. It was just under 46 acres and it sat directly north of the major dredge disposal area. It didn't include EE3 which was a small sliver of land that was 1.5 acres. Part of the new terminal would be using the southern end of Daniel Island as a dredge disposal area, and the City's property abuts it, and there was no separation between the parcels. The Ports Authority would have to build a dike to separate it, and then use the rest of the area for disposal. They had been talking and the proposal was to allow for the sale of that property to the Ports Authority for \$1.5, and closing was scheduled to be 10 days after the contract was signed. The Ports Authority had signed everything, and they gave the City the \$5 for the License. The proposal was to sell the property to the Port to allow it to

be used in conjunction with their dredge materials, but because time was of the essence, they needed to get on the property as soon as possible to start preparing. Part B was the sale of the property for \$1.5 million in cash, and in the event that they did not close, they'd have to be off the site by September 30th, 2017, and they would not be responsible for getting the property back to how it was now.

Councilmember Riegel asked if there were any intentions or objectives for the property. He thought it was supposed to be a park. Ms. Cantwell said that the intention was to have a park buffer the area from what was going to be a heavy industrial port. That wasn't going to happen now, and it would be used just as it was now, for dredge disposal. It was zoned for a park, and the Ports Authority would have to work that out, but it would be years in the making before it could be suitable for a park because of the condition of the soil. Being next to an active dredge site, it would not be pleasant.

Councilmember Moody asked if they would dredge things on the property or if it would flow onto the property. Ms. Cantwell said they would be preparing multiple properties, and they would dike. Mayor Tecklenburg said they either had to get control of the City's property or build a new dike. The City's was high. Councilmember Moody asked how much higher they would go. Mayor Tecklenburg said there was that much room, and they could, but he didn't know if it would be that much. They had a long time, as they were planning on using their own property for dredge for at least 100 years.

Mayor Tecklenburg said that one of the first things he did when he worked for the City in the '90s was his involvement in getting the zoning for the Ports Authority to change so they could build the terminal. The reason why Mayor Riley kept this piece of pie was to create a berm/barrier to help with noise, and have a separation from the residential portion of Daniel Island. This area was already being used for dredge, and it was anticipated that as they built the Port out, the City would have to build something and fill. It never was anticipated that it would be a park, it was more of a buffer. He went out there and it was a mess. The use of the property was different than what was intended 25 years ago, and so it was logical, otherwise they were penalizing the Port Authority because then they would have to spend money to build a new barrier. The City needed the money to complete its commitment from the Fourth Amendment to the Development Agreement and get started on the Community Center on Daniel Island. It seemed that it wasn't usable property, even long-term, and whatever the future was of the land in 100 years, the State could possibly re-claim it.

Chairman White stated that at one point it was anticipated it would be sold, and it came back that they would be 'less costly building a house on pilings over the Wando River, than build something on that site'. It was unstable, and if the City wanted to make a park and build restrooms, they couldn't even do that there. Councilmember Moody asked about the development property right next to it. Chairman White said he wasn't sure if they had ever filled that. It was higher than where the development was. Councilmember Moody said that there could be other problems in the livable part for drainage and run-off. Mayor Tecklenburg said that the water will run back off to the river.

Chairman White said that it had intrinsic value directly for them for its use and asked if that was how they determined the number. Ms. Cantwell said it was just a number. Mayor Tecklenburg said that the

Ports Authority had started with a number, and the City got them substantially higher. Chairman White said that there was discussion around the Lease opportunity as well, and that never went anywhere.

Councilmember Moody asked how much they would need for the Community Center and Chairman White said \$6 or \$8 million. They didn't have a number yet. Part of the discussion was that they knew they had a financial commitment to adhere to, and it was coming up quick. They wanted to be able to begin facilitating, and this would allow them to have that money set aside.

Mayor Tecklenburg said that he thought the development agreement specified that they spent at least \$5.5 million the Community Center, but they expected it to be more than that. This gave them a leg up. Chairman White said that he wanted to make sure that there was no question that those proceeds should only be used for the purposes of funding the Community Center. Ms. Cantwell said that was up to Council. Chairman White said that he wasn't sure if there was something else they needed to do, but he didn't want it to end up in a bucket of money that got dispersed somewhere else, and then they ended up having problems because they had a financial commitment they had to legally abide by coming up in the fourth quarter. Mayor Tecklenburg said that he had made it clear from the beginning that if this happened, that was where it was going.

On the motion of Councilmember Riegel, seconded by Councilmember Moody the Committee voted unanimously to approve the Mayor to execute the License Agreement between the City of Charleston and the South Carolina State Ports Authority allowing the State Ports Authority the right to enter City property on Daniel Island known as Parcel EE, Phase 2 for the purpose of site preparation in anticipation of dredge materials, as well as approve the Mayor to execute the Purchase and Sale Agreement between the City of Charleston and the South Carolina State Ports Authority of the Property on Daniel Island know as Parcel EE, Phase 2.

REQUEST APPROVAL FOR THE MAYOR TO EXECUTE THE AMENDED AND RESTATED PUBLIC IMPROVEMENTS INGRASTRUCTURE AGREEMENT GOVERNING THE EXPENDITURE OF TIF FUNDS FOR PUBLIC INFRASTRUCTURE IMPROVEMENTS IN THE MAGNOLIA DEVELOPMENT. THE AGREEMENT REQUIRES THE DEVELOPER, ASHLEY RIVER INVESTORS, LLC, TO CONSTRUCT THE CITY'S PUBLIC SERVICE FACILITY, WHEREUPON THE 99 YEAR LEASE THE CITY HAS ON MILFORD STREET FACILITY CAN BE TERMINATED. (MAGNOLIA TIF DISTRICT) [ORDINANCE] [DEFERRED]

REQUEST APPROVAL FOR THE MAYOR TO EXECUTE THE FIRST AMENDMENT TO DEVELOPMENT AGREEMENT GOVERNING THE MAGNOLIA DEVELOPMENT. (MAGNOLIA DEVELOPMENT; MULTIPLE PARCELS TOTALING APPROXIMATELY 182 ACRES OF REAL PROPERTY WEST OF THE KING STREET EXTENSION) [ORDINANCE] [DEFERRED]

REQUEST APPROVAL FOR THE MAYOR TO EXECUTE THE PERMANENT EASEMENT AGREEMENT WITH SCE&G TO FACILITATE THE UNDERGROUND ELECTRICAL LINE ON THE CITY'S PROPERTY AT 180 LOCKWOOD ALONG BOTH FISHBURNE STREET AND LOCKWOOD BOULEVARD. THE PROPERTY IS OWNED BY THE CITY OF CHARLESTON. (180 LOCKWOOD BOULEVARD; TMS: 460-00-00-013) (THE PERMANENT EASEMENT AGREEMENT WILL BE SENT UNDER SEPARATE COVER BY THE REAL ESTATE DEPARTMENT.)

Colleen Carducci said that what they would like to request was for the recommendation and approval for them to proceed in finalizing the Easement Document and Drawing based on Corporation Counsel's approval. The urgency, and why they left it on the agenda, was that the installation was on a timeline that they believed would have financial consequences if they waited for the next Council Meeting. It was work that needed to be done so they could get power to the site. On the drawing, for the most part the utility would run along the property boundary of Fishburne and Lockwood, and it would be within the right-of-way on Fishburne Street, and just inside the City's 180 Lockwood property along Lockwood Boulevard. It would also run within the WestEdge street. It was laid in that area already and there was a transformer on the backside of the property and there as an underground line that ran back down to Lockwood. It ran interior to the Police Station as well. The purpose of the undergrounding was for SCE&G to wrap the entire property in order to have a duplication of service in the event one went out. SCE&G was trying to accomplish this in multiple locations, but here they could actually do it because of the need for it. The reason it was stalled was because in the corner, next to the Employment Commission Building, there was a potential conflict that needed to be worked out with CWS and Storm water. They were making sure that the easements were handled properly before they gave the final go-ahead. They would like to proceed getting Corporation Counsel's approval on the final form.

Councilmember Moody asked if they were just granting an easement and Ms. Carducci said that was correct. The 99 WestEdge Developer had to fund the SCE&G work that was being facilitated for the project. There as a portion that was pertaining to the City's parking deck, and that was included in the construction of the parking garage that they would pay. Councilmember Moody said that it would be the developer, and not the TIF or anyone else. The Developer was paying as part of the wrap project for the apartments.

Mayor Tecklenburg asked if any current above ground lines were going underground. Ms. Carducci said yes. The ones that were on 180 Lockwood were all going underground, serving the City's Municipal Court, and Police Station. There was temporary power brought in on temporary poles, because they had to remove a lot around the site where they were doing construction, so new poles were put across the large Joe Riley Parking lot for the stadium. The lines were run through the gravel lot to the south of 99 WestEdge to tie back into a transformer at the Police Station. That was all on temporary power right now, which was why they were eager to get it to the permanent stage. It also started the undergrounding on the north side of Fishburne Street at the Joe Riley Park. All of WestEdge would eventually be underground.

On the motion of Councilmember Waring, seconded by Councilmember Moody, the Committee voted unanimously to approve the Mayor to execute the Permanent Easement Agreement with SCE&G to facilitate the underground electrical line on the City's property at 180 Lockwood along both Fishburne Street and Lockwood Boulevard.

CONSIDER THE FOLLOWING ANNEXATIONS:

- i. 2210 Weepoolow Trail (TMS #: 353-12-00-005) 0.33 acre, West Ashley (District 2). The property is owned by Stephen & Sheri Wenger.

- ii. 2000 Indian Mound Trail (TMS #: 353-12-00-006) 0.34 acre, West Ashley (District 2). The property is owned by Judy G. Markowitz Living Trust.
- iii. 1622 Boone Hall Drive (TMS #: 353-14-00-136) 0.34 acre, West Ashley (District 7). The property is owned by Amy Brunson.
- iv. 1848 Sandcroft Drive (TMS #: 353-14-00-216) 0.28 acre, West Ashley (District 7). The property is owned by SC Renovation Group.

On the motion of Councilmember Moody, seconded by Councilmember Riegel, the Committee voted unanimously to approve the above annexations.

DISCUSSION

Councilmember Moody said that they were getting ready to build a Fire Station in West Ashley, and he kept asking how the City could get underground wiring in front of the station and the memorial. It would be a good opportunity to show what it could look like if they did all of Savannah Highway. Ms. Carducci stated that it would take money. They would ask for a cost per square foot and her expectation was that it would be in the hundreds of thousands of dollars, if not more.

Chairman White asked what the difference would be and if individual areas that had done this were part of a franchise agreement for just those areas. He asked if it could be any part of the City. Ms. Cantwell said that it was city-wide, and they would have to get a certain level of petition to get in line and it would take a long time to work the way up. It was dependent on how flush the fund was.

Councilmember Waring asked if it was a requirement in new subdivisions and that was confirmed by Ms. Cantwell. Councilmember Waring asked if they could pass something so that when new construction came in the revitalized area that they required the wires to go underground. Councilmember Moody said that some areas that had missed out, they many have to go back and do, but as new properties came in, they could require it. On Savannah Highway, the transmission line was on the right-of-way, and so they didn't have the big power lines, only the distribution lines, that were much easier and less expensive to put underground. Chairman White said there were benefits to having it underground, such as less of a risk of losing power.

Having no further business, the Committee on Real Estate adjourned at 4:41 p.m.

Bethany Whitaker
Council Secretary